

DARGUES LIFE-OF-MINE UPDATE

As part of current life-of-mine (**LOM**) planning, Aurelia Metals Limited (ASX:AMI) (**Aurelia** or **the Company**) advises it has identified lower grades of mineralisation in part of the Dargues Gold Mine compared to its existing (2021) LOM plan. As a result, the Company expects to record a non-cash impairment charge in the range of A\$60M - \$80M (post tax) against the Dargues assets. The expected impairment will be recorded in the Company's financial results for the year ended 30 June 2022. The actual value is subject to finalisation of the Dargues LOM plan; the final tax position of the Company; forward gold price; confirmation of full year accounts, including external audit signoff; and final Board approval.

Revisions to Dargues LOM schedule

The non-cash impairment relates to the consolidation of results of recent resource drilling, geological interpretation, modelling, production performance and mine design activities, as part of the LOM planning process conducted during the March 2022 quarter.

As highlighted in the December quarter (see Aurelia ASX release dated 27 January 2022, *Quarterly Activities Report*) an extensive underground infill diamond drilling program at Dargues was undertaken from October 2021 through the current quarter. This program initially focussed on the intermediate levels of the Dargues mine using tighter drill hole spacing than previously undertaken, from surface drilling, in these areas. The infill drill program is now targeting lower undeveloped areas in the mine.

The Company has revised its interpretation of the mineralised zones using results from the infill drilling program, sampling and geological mapping across the six mine levels developed since the Dargues acquisition. The definition provided by this information has identified zones of localised geometrical complexity and discontinuity that, when modelled, have impacted the volume of mineralised material and reduced the estimated insitu grade.

Impact on Dargues production targets

Preliminary results of the latest Dargues mine design show a reduction in mined tonnage and gold grade over the remaining mine life. As a result, the Dargues Mineral Resource, Ore Reserve and Production Target estimates (see Aurelia ASX releases dated 23 July 2021, *2021 Group Mineral Resource and Ore Reserve Statement* and *2021 Group Production Target Statement*) will be revised as a part of the 2022 Group Mineral Resource and Ore Reserve Statement and 2022 Group Production Statement scheduled for release in July 2022.

Initial expectations are for minimal change to targeted FY22 gold production and cost estimates.

In relation to interim longer term guidance, the Company expects to revise the June 2021 Dargues LOM Production Target of approximately 1.26Mt at 4.8g/t Au for 195koz contained gold, excluding any intervening mining depletion, to a slightly lower tonnage at approximately 15% lower average gold grade and contained gold ounces. Results from outstanding core logging (3,850m) and assays from the recent infill and

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exploration drilling program are expected over the coming months and will inform the revised Production Target. Other key assumptions with respect to this Production Target are expected to remain unchanged and valid.

Focus on Dargues' resource growth

The Dargues operation possesses significant further mineral resource growth and life extension potential. Aurelia's current extensional drilling activities at Dargues are designed to target key areas of potential undiscovered gold mineralisation, both along strike and between and down-dip of the existing gold lodes. These targeted growth activities remain unchanged following the preliminary updated Dargues LOM plan. Aurelia believes that the untapped growth potential of Dargues is substantial and a source of material potential value addition for the business over coming years.

Further details are provided in the presentation *Dargues Life-of-Mine Update* released on the ASX this morning.

Investor conference call details

Dan Clifford (Managing Director and Chief Executive Officer), Ian Poole (Chief Financial Officer) and Peter Trout (Chief Operating Officer) will host a conference call at 10.00am AEST (Queensland time) on Thursday, 24 March 2022 to discuss this release.

Please note attendees are required to pre-register for the call via the following link:
<https://s1.c-conf.com/diamondpass/10020890-4ad2jem.html>

Attendees will receive dial-in details upon completion of the brief pre-registration.

A recording of the call will also be available on Aurelia's website (www.aureliametals.com) later that day and can be accessed at any time.

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This announcement has been approved for release by the Board of Aurelia Metals.

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About Aurelia

Aurelia Metals Limited (ASX: AMI) is an Australian mining and exploration company with a highly strategic landholding and three operating gold mines in New South Wales. The Peak and Hera Mines are located in the Cobar Basin in western NSW, and the Dargues Mine is in south-eastern NSW.

Our vision is to be a mining business recognised for creating exceptional value through our people and a portfolio of gold and base metals assets. At Aurelia, we value Integrity, Certainty, Courage and Performance for the safety and wellbeing of our people, and for the benefit of our shareholders and the communities in which we operate.

In FY21, Aurelia produced 103,634 ounces of gold at a Group all-in sustaining cost (AISC) of A\$1,337 per ounce. Both the Peak and Hera cost bases benefit from substantial by-product revenue credits from base metal production (including zinc, lead and copper).

IMPORTANT INFORMATION

This report includes forward looking statements. Often, but not always, forward looking statements can be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, “outlook” and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of the Company, anticipated production or activity commencement dates and expected costs or production outputs. Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs of production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits, and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory environment, environmental conditions including extreme weather conditions, recruitment and retention of key personnel, industrial relations issues and litigation. Forward looking statements are based on the Company and management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control. Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law, including any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

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